



## Appendices

### A-1 Tips for developing performance measures



#### Connect measures to plan

What is measured tends to get done. Key budget-related performance measures are most useful when they are connected to the agency's strategic plan elements (mission, statutory mandate, goals, and strategies) because they are most likely to create the results envisioned in the strategic plan.

#### Address major agency efforts

In most cases, performance measures reflect major processes that consume a significant portion of the agency's budget. Measures that represent smaller-scale but significant processes and activities of interest are likely to be part of specific decision packages.

#### Measurable - reliable, accurate, verifiable

It is often tempting to propose measures that are too broad or poorly defined to be measured. Performance measures should be as valid and reliable as possible, with some consideration to relative significance. For example, a process that affects the health and safety of children warrants performance measures with the highest degree of validity and reliability. A long-standing, routine process that does not affect health and safety might be measured through less precise methods.

#### Useful to decision makers

Performance measures are relevant to decision makers both inside and outside the agency. Agency managers, OFM, the Legislature, and the Governor are all unique customers. The best way to assess customer requirements is to ask what measures are relevant and credible, and in what form they should be expressed.

#### Relevant to the budget process, in terms of content, scale, and timing

- Š **Content** - Consider the interest of decision makers in determining the content of performance measures.
- Š **Scale** - Performance measures for most agencies should be expressed at a fairly high level, taking an agency-wide or major program view. Internally, the agency may collect and report data that represent a more detailed, smaller-scale view. These data may be relevant to day-to-day program management, quality improvement, and other purposes. In some cases, performance measures related to decision packages may be of a smaller scale.

- Š **Timing** - Actual data for performance measures should be collected and reported close to the point in time when products and services were actually generated. In some cases, a lag exists between the time products and services are generated, actual performance data are collected, and data are obtained by the agency. In other cases, recently obtained data from longitudinal studies are linked to products and services generated by program operations that took place several years ago. It is difficult to make timely management and budget decisions when data lags actual agency performance by a substantial period.

**Understandable to public and experts**

State the measure in simple, clear, brief terms. Avoid jargon and acronyms, if possible. Define terms in the body of the performance measure description.

**Measures with appropriate agency accountability**

Budget-related performance measures should be tied to activities and results that the agency can affect. Some high-level societal indicators explain the environment in which the agency works, but since the agency cannot reasonably influence them, they do not serve as good outcome measures. In such cases, the agency may want to look at intermediate measures that they can influence (e.g., turnaround time, customer satisfaction, or knowledge or behavior changes among the agency's clients).

**Reasonable cost and effort**

Choose the lowest-cost approach to measurement that will still yield information that is useful and credible.

**Challenging, yet achievable, targets**

Estimates of future performance should be realistic. If the agency is initiating a new measure, then conservative estimates can be based on a literature search or survey of other agencies with similar processes, customers, and other characteristics.

**Reasonable number**

Numerous performance measures are not always desirable, since they can be too detailed to an outside audience and blur the link to broader goals and strategies.

**Based on stakeholder/customer input**

Ideally, performance measures are designed in light of customer and stakeholder views of what is important and what types of measures and measurement approaches are credible.